Declassified in Part - Sanitized Copy Approved for Release 2012/02/24 : CIA-RDP91-00561R000100120029-7

STAT

ARTICLE APPEARED
ON PAGE 1-A

WASHINGTON TIMES
29 May 1986

Agent details Pelton's sale of spy secrets

By Bill Gertz
THE WASHINGTON TIMES

BALTIMORE — Former National Security Agency official Ronald W. Pelton supplied the Soviets with technical details of a top-secret listening device used to eavesdrop on the Soviet Union, an FBI agent testified yesterday.

Special Agent David Faulkner testified in U.S. District Court about statements Mr. Pelton made to the FBI shortly before his arrest on espionage charges Nov. 24.

Mr. Faulkner said that Mr. Pelton told the FBI that in January 1980 he gave Soviet KGB officials information about an NSA "intelligence-collection system" identified in court by the code name "Project A."

Mr. Pelton told the FBI agents the information included details of "purchases of certain parts for equipment," the design and size of the collection system and "some of the problems in utilizing the collection system."

Prosecutors showed jurors a map on which Mr. Pelton had circled where Project A was located, reportedly near the Sea of Okhotsk in the far eastern area of the Soviet Union. The map remains classified, according to court prosecutors.

The Soviets maintain military facilities on the nearby Kamchatka Peninsula and use it as a range for testing missile accuracy, according to U.S. intelligence officials.

"[Mr. Pelton] said he did not have the exact location of the system but the general location" and drew a circle around it on a map provided by FBI agents, Mr. Faulkner said.

"I asked him [Mr. Pelton] if he felt what he had done was life-threatening to the individuals who service the equipment," Mr. Faulkner said. "He did not answer."

Mr. Pelton, 45, has been charged with six counts of espionage for his role in passing NSA secrets to the Soviet Union between 1980 and 1985 in exchange for $35,000. If convicted, he faces a maximum sentence of life imprisonment plus 10 years.

Agent Faulkner's testimony was followed late yesterday by an announcement from CIA Director William J. Casey and National Security Agency Director Lt. Gen. William E. Odom that classified information about U.S. intelligence-gathering capabilities would be released by government officials when they testify at the trial.

"Those reporting on the trial should be cautioned against speculation and reporting details beyond the information actually released at the trial," the statement said. "Such speculations and additional facts are not authorized disclosures and may cause substantial harm to the national security."

Mr. Casey has asked the Justice Department to prosecute The Washington Post and NBC News for releasing information that Mr. Pelton allegedly passed to the Soviet Union about a secret underwater intelligence-collection system.

CIA spokeswoman Kathy Pherson said the statement was a call for the media's "help and cooperation" in order to limit any national security damage.

Mr. Faulkner said that Mr. Pelton, a 14-year NSA code specialist who retired in 1979, decided to provide secrets to the Soviet Union on an "impulse" after the former NSA employee had "mortgaged himself to the hilt."

"He said that walking into the Soviet Embassy [in Washington] on Jan. 15, 1980, was the biggest mistake of his life, but that when you are broke, you do some crazy things," Mr. Faulkner testified.

Asked by Assistant U.S. Attorney John Douglass if Mr. Pelton believed his activities damaged U.S. security, Mr. Faulkner replied, "[Mr. Pelton] said the bottom line was yes, it had been harmful to the country."

Another intelligence project allegedly compromised by Mr. Pelton, identified as Project B, involved "inside" details of NSA operations, based on the agency's five-year budget cycle, about how NSA was gradually upgrading equipment used to "collect signals" from Soviet targets.

Mr. Pelton told the FBI that Project B was a program that would provide the NSA with "quicker processing of signals" — coded Soviet communications.

At the end of the first FBI interrogation session, "Mr. Pelton stated that it was probably very disgusting for someone like me to have to deal with somebody who had done what he had done," Mr. Faulkner said.

Mr. Faulkner said the $35,000 was a "very, very minimal" payment compared with the value of the secrets that Mr. Pelton had compromised.

The FBI agent said Mr. Pelton told him the Soviets were interested in finding out what information the United States was getting from Soviet embassies and from "overhead collection systems" — spy satellites that can photograph and electronically intercept communications.

Mr. Pelton told the FBI agents the Soviets showed little interest in three intelligence-collection systems identified in court only as Projects C, D and E, Mr. Faulkner said.

According to Mr. Faulkner, Mr. Pelton said he traveled in October 1980 to Vienna, Austria, where he was picked up at his hotel by a Soviet official and driven to the Soviet Embassy compound. Mr. Pelton told the FBI that he spent several days answering written questions about the NSA at the Soviet ambassador's personal residence, Mr. Faulkner said.

Prosecutors have charged that Mr. Pelton received $20,000 from the Soviets after his October 1980 visit

Declassified in Part - Sanitized Copy Approved for Release 2012/02/24 : CIA-RDP91-00561R000100120029-7

Declassified in Part - Sanitized Copy Approved for Release 2012/02/24 : CIA-RDP91-00561R000100120029-7

been harmful to the country."

Another intelligence project allegedly compromised by Mr. Pelton, identified as Project B, involved "inside" details of NSA operations, based on the agency's five-year budget cycle, about how NSA was gradually upgrading equipment used to "collect signals" from Soviet targets.

Mr. Pelton told the FBI that Project B was a program that would provide the NSA with "quicker processing of signals" — coded Soviet communications.

At the end of the first FBI interrogation session, "Mr. Pelton stated that it was probably very disgusting for someone like me to have to deal with somebody who had done what he had done," Mr. Faulkner said.

Mr. Faulkner said the $35,000 was a "very, very minimal" payment compared with the value of the secrets that Mr. Pelton had compromised.

The FBI agent said Mr. Pelton told him the Soviets were interested in finding out what information the United States was getting from Soviet embassies and from "overhead collection systems" — spy satellites that can photograph and electronically intercept communications.

Mr. Pelton told the FBI agents the Soviets showed little interest in three intelligence-collection systems identified in court only as Projects C, D and E, Mr. Faulkner said.

According to Mr. Faulkner, Mr. Pelton said he traveled in October 1980 to Vienna, Austria, where he was picked up at his hotel by a Soviet official and driven to the Soviet Embassy compound. Mr. Pelton told the FBI that he spent several days answering written questions about the NSA at the Soviet ambassador's personal residence, Mr. Faulkner said.

Prosecutors have charged that Mr. Pelton received $20,000 from the Soviets after his October 1980 visit to Vienna and $15,000 after another trip in April 1983.

Mr. Faulkner said the Soviets arranged to contact Mr. Pelton by phone at a Falls Church pizzeria on the last Saturday of every month. If Mr. Pelton was late, he had to wait another month to contact the Soviets, Mr. Faulkner said.

Mr. Faulkner said Mr. Pelton's last contact with the Soviets took place in April 1985, when he received a telephone call at his unlisted Silver Spring number. A Soviet official told him, "We have something for you" — a prearranged signal for him to go to Vienna, Mr. Faulkner testified.

Mr. Pelton had planned to go to Vienna last fall and told the FBI that if U.S. officials wanted him to cooperate in a counterintelligence operation, "he could pull it off," Mr. Faulkner said. He told Mr. Pelton not to make the trip and to report any Soviet contacts.

When asked to account for the time in between meetings, Mr. Pelton told Mr. Faulkner that "he felt the KGB had finished debriefing him and did not know what to do with him."

Defense Attorney Fred William Bennett challenged Mr. Faulkner's methods of interrogating Mr. Pelton at the Annapolis Hilton Hotel, saying that he had violated FBI rules on questioning suspects. Regulations require questioning to take place at a suspect's home or business or at an FBI office, Mr. Bennett told the court.

Mr. Bennett said the cost of renting the six hotel rooms where Mr. Pelton was questioned cost the FBI $10,000.

"I am arguing that [Mr. Pelton's] statements were not voluntary and freely given without coercion," Mr. Bennett said in an interview. "Without those statements, the government's case crumbles like a house of cards."

U.S. District Judge Herbert Murray ruled earlier this month that Mr. Pelton's statements to the FBI before his arrest could be admitted as evidence.

Declassified in Part - Sanitized Copy Approved for Release 2012/02/24 : CIA-RDP91-00561R000100120029-7